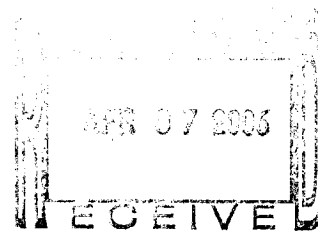


ELLIS:LAWHORNE

John J. Pringle, Jr.
Direct dial: 803/343-1270
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March 31, 2006



VIA ELECTRONIC MAIL SERVICE AND FIRST-CLASS MAIL SERVICE

The Honorable David Butler
Hearing Officer
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

RE: Application of LMDS for a Certificate of Public Convenience and
Necessity to Provide Competitive Local Exchange and Interexchange
Telecommunications in the State of South Carolina and for
Alternative Regulation, and for Flexible Regulation
Docket No. 2006-70-C, Our File No. 1157-11359

Dear Mr. Butler:

LMDS Holdings, Inc. ("LMDS") provides the following in response to your Hearing Directive. First, see the attached letter from the Office of Regulatory Staff (ORS) indicating that the ORS does not oppose LMDS' request for confidential treatment of its financial statements provided that the request is not intended to seek like treatment for those filings that the Company would be required to make with the ORS following certification.

Further, Rule 103-804(y)(2) gives the Commission the authority to exempt by order "any information" from the definition of "Public Records." That is what the Company seeks, based upon its designation of its financial statements as confidential and proprietary. As set out in the Company's Motion, the Company "derives independent economic value from the fact that significant, detailed and proprietary information regarding its financial structure and current financial activities is unknown to its competitors." Motion at Page 3. Therefore, the Company's financial statements are a "trade secret" as that term is used in the South Carolina Trade Secrets Act. *S.C. Code Section 39-8-20(5)*. As such, the Trade Secrets Act entitles the Company to protection of its financial statements. *See S.C. Code Section 39-8-60*. Similarly, Rule 103-804(y)(2) makes clear that "public records" does not include "any information specifically exempted by statute."

To the extent that the Hearing Examiner weighs the Company's need for "preservation of secrecy" against any other person's "substantial need" for the statements, as those terms are articulated in *S.C. Code Section 39-8-60*, granting the Company confidential treatment of these financial statements will address that balancing test. According this status to the Company's financial statements will not hinder the Commission or the ORS in their evaluation of the

(Continued . . .)

F. David Butler, Esquire
March 31, 2006
Page 2

Company's financial qualifications (the underlying reason why the Company has filed the financial statements). Also, as set out in the Motion, LMDS has not to date been required to make this information available to the public. In addition, the Company's status as a facilities-based carrier makes clear the importance of allowing its financial statements to remain confidential. LMDS will be in competition not only with other competitive local exchange carriers ("CLECs") and interexchange carriers ("IXCs"), but also with incumbent Local Exchange Carriers ("LECs") that will also serve as LMDS' suppliers for network elements and services.

Finally, the Company has provided additional financial statements, those of its parent company XO Holdings, Inc., in support of its financial fitness to provide telecommunications services in South Carolina.

The Company believes that the above represent several compelling reasons why you should reconsider your earlier decision to deny confidential treatment to the Company's financial statements.

Very truly yours,



John J. Pringle, Jr.

cc: Shannon Hudson, Esquire
Mr. David LaFrance
Katherine E. Barker, Esquire

C. DUKES SCOTT
EXECUTIVE DIRECTOR

P.O. Box 11263
Columbia, S.C. 29211



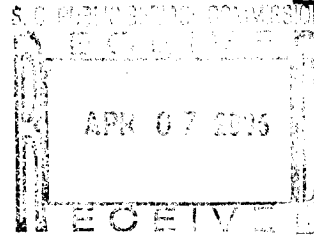
Phone: (803) 737-0800
Fax: (803) 737-0801

DAN F. ARNETT
CHIEF OF STAFF

March 30, 2006

VIA ELECTRONIC MAIL AND HAND DELIVERY

Charles L.A. Terreni, Esquire
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210



MAR 31 2006
Ellis, Lawhorne
& Sims, PA

Re: Application of LMDS Holdings, Incorporated for a Certificate of Public Convenience and Necessity to Provide Competitive Local Exchange and Interexchange Telecommunications in the State of South Carolina and for Alternative Regulation, and for Flexible Regulation
Docket No. 2006-70-C

Dear Mr. Terreni:

On March 2, 2006, LMDS Holdings, Inc. ("LMDS") filed with the Public Service Commission of South Carolina ("the Commission") a Motion for Confidential Treatment of its financial statements. After speaking with LMDS's local counsel, Mr. Jack Pringle, and reviewing LMDS's recent Motion for Confidential Treatment, ORS does not object to LMDS's request provided that the Motion applies and extends only to the financials contained in the LMDS Application. Specifically, ORS wishes to ensure such confidential treatment of financial information does not or is not requested to extend to any annual filings with ORS such as gross receipts and universal service fund filings. I have spoken with Mr. Pringle about ORS's concern and he consents on behalf of LMDS via signature at the bottom of this letter that LMDS is not seeking confidential treatment of financial information for any annual filings with ORS by means of its request. Accordingly, ORS does not object to LMDS's request for confidential treatment of its financial information.

Sincerely,

Shannon Bowyer Hudson
Shannon Bowyer Hudson

John J. Pringle, Jr.
John J. Pringle, Jr., Esquire

cc: John J. Pringle, Jr., Esquire
Benjamin A. Traywick, Esquire